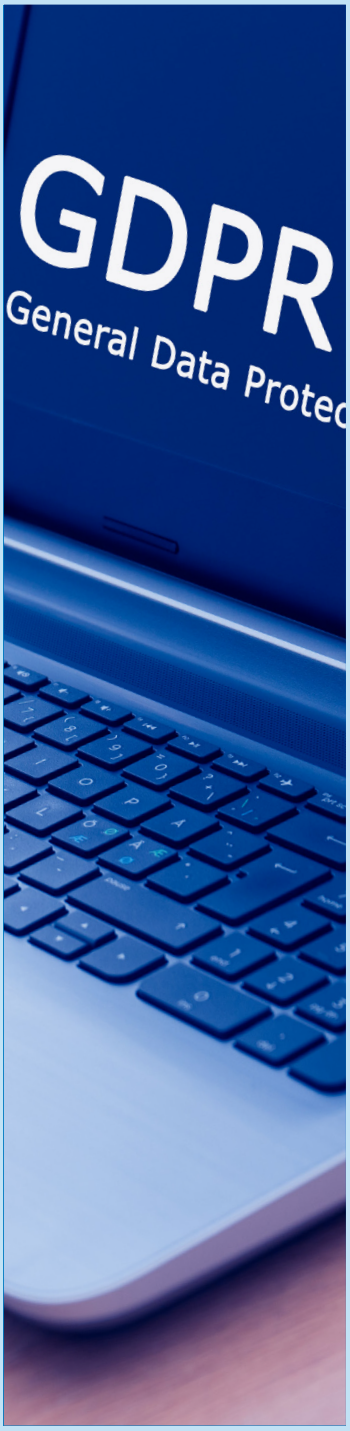
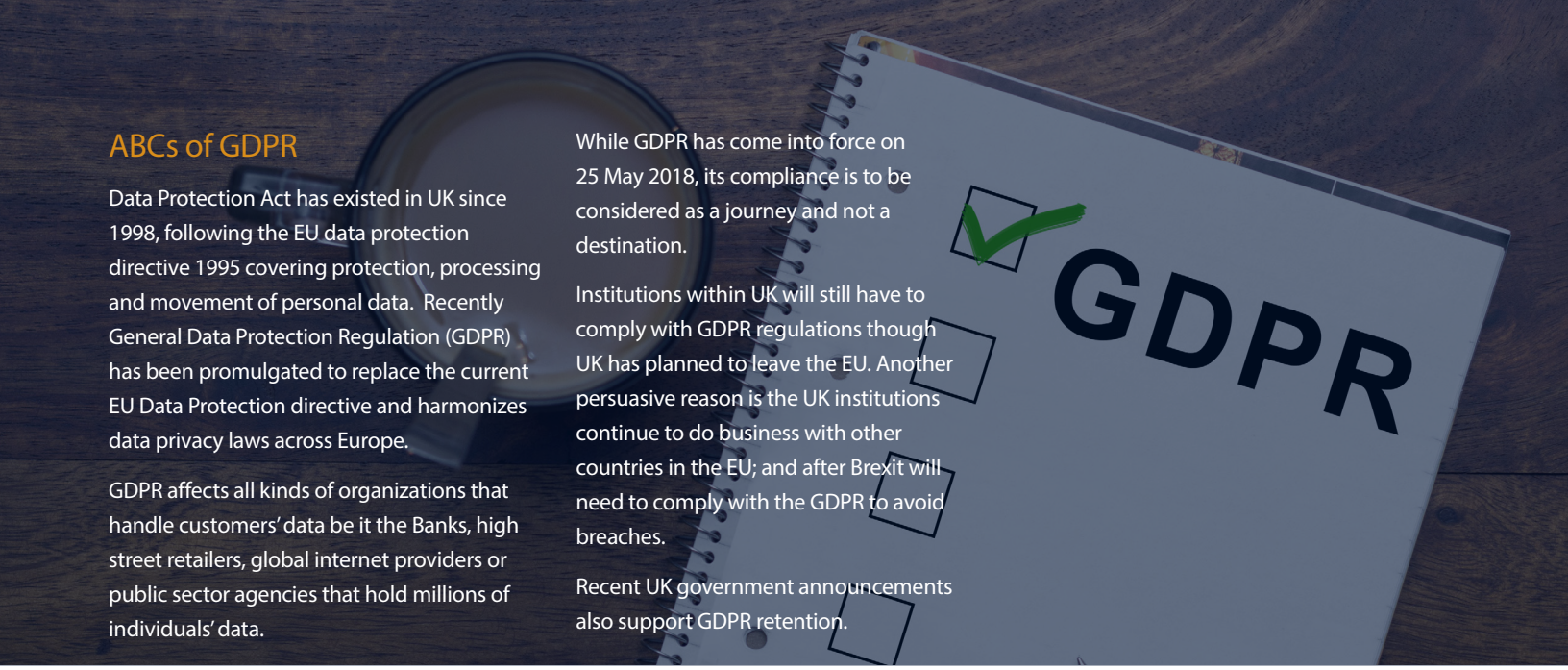
VIEW POINT



GENERAL DATA PROTECTION REGULATION (GDPR) – A FOUNDATION FOR FUTURE BANKING BUSINESS IN EUROPE

Infosys®
Navigate your next



ABCs of GDPR

Data Protection Act has existed in UK since 1998, following the EU data protection directive 1995 covering protection, processing and movement of personal data. Recently General Data Protection Regulation (GDPR) has been promulgated to replace the current EU Data Protection directive and harmonizes data privacy laws across Europe.

GDPR affects all kinds of organizations that handle customers' data be it the Banks, high street retailers, global internet providers or public sector agencies that hold millions of individuals' data.

While GDPR has come into force on 25 May 2018, its compliance is to be considered as a journey and not a destination.

Institutions within UK will still have to comply with GDPR regulations though UK has planned to leave the EU. Another persuasive reason is the UK institutions continue to do business with other countries in the EU; and after Brexit will need to comply with the GDPR to avoid breaches.

Recent UK government announcements also support GDPR retention.

Challenges Faced by Business

A recent survey by Kuppinger-Cole indicates 73.5% of the respondents chose improved customer relationships and interaction as means to achieve any company's digital transformation journey.

With GDPR's Requirement, customer should be well informed on how a service collects and processes his/her Personally-Identifiable-Information (PII).

This for institutions is a business challenge than a IT challenge; For sure, it's a challenge for CIOs, but the business challenge is all about the impact on the customer relationship. Business will have to address these challenges by collecting only pertinent data for the service offered OR end up changing their business operating model.

In short, it will become far more Important for institutions to exhibit and persuade the value of certain consents obtained to the customer than before.

Opportunity cost for non-compliance

According to a global survey by Gemalto to assess how they perceive organizations that are the victim of data breaches, 64% of respondents say they would not do business with the company where their sensitive data was stolen.

While there are penalties for breach to the tune of 20 million euros OR 4% of a company's global annual revenue for the preceding year, there would be impalpable impact and companies can be cast aside by customers, investors and shareholders.

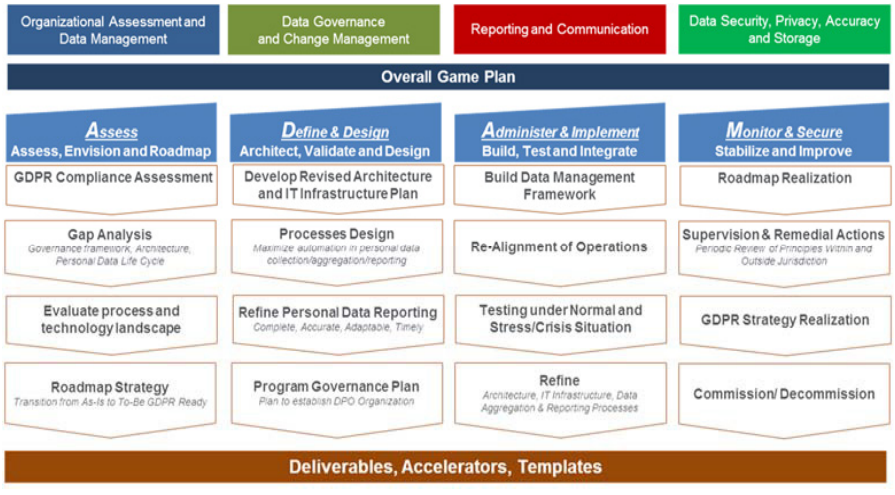
In order to meet the regulation, the organizations need to take a holistic approach and put in place operational processes and technology interventions. A post-implementation assessment / audit framework will also need to be thought through.

Key requirements include -

- Executive commitment
- Appointment of Data Privacy Officer (DPO)
- Assessment of collection, storing and processing of current data
- Comprehensive data protection plan, including breach notification
- Organization Change Management to adopt to GDPR requirements
- Continuous assessment to ensure compliance

Infosys framework

Infosys has deep understanding of GDPR regulation with ready to use GDPR framework. Our knowledge warehouse has tools and accelerators that can be appropriately customized for quicker implementation. The Infosys GDPR framework covers entire lifecycle of steps in GDPR requirement identification, assessment, prioritization of requirements for implementation, value realization and enablement



Solution components within Infosys GDPR framework includes

- Data Discovery, reporting, masking through Infosys Enterprise Data Privacy Suite (iEDPS)
- Data archival through Infosys Archival Workbench (IArW)
- Customer Service management and data portability through Infosys Customer Interaction Service (ICIS) tool
- Infosys NIA Cognitive Intelligence platform for the post assessment phases to achieve faster turnaround for compliance
- Data Deletion, Minimization, Extraction, User-Access with NextLab's modular solution. Infosys has partnered with Nextlab to leverage its data-centric security solutions using Dynamic Authorization technology based on Attribute-Based Access Control (ABAC)

Enablers within Infosys GDPR framework includes –

- Tool evaluation kit – Facilitates tool selection process for GDPR interventions
- Organization GDPR maturity assessment questionnaire - Assess various aspects of the organization to do Gap Analysis w.r.t GDPR compliance
- GDPR best practices in BoK – Bible for GDPR regulation; Includes regulations / articles to capability mapping – From Organization, Consulting and Technology Viewpoint
- Business needs prioritization framework - Prioritization of the business areas for the organization to work towards GDPR compliance
- Business Value realization framework - Derive the value for an organization w.r.t the operational levers, significant for GDPR
- Personal Sensitive Data Profiler - Identification of Personal Sensitive Data, its flow within and outside the organization and its form at Attribute level
- Data Governance model - Detailed Data Responsibility and Accountability for an Organization
- Privacy Impact Assessment framework

Business benefits of implementing GDPR

With GDPR there are a host of business benefits to institutions implementing it. Highlighting the positive elements of regulation:

		New Business Opportunity	Operational Efficiency	Cost Reduction	Improved Customer Engagement
1	**Customer engagement & trust in** citizen-powered market for data can provide opportunities in designing a personalized and Omni-channel customer experience, customer retention and banking product development	✓			✓
2	**Explicit consent is a mindful consent.** When a user 'opts-in', he/she is consciously participating in the process . This can be leveraged for improving Quality of Service Analytics, Real Time Personalization, Continuous Consumer Insight.	✓			✓
3	**Risk Based Approach** will facilitate data-reciprocity frameworks and ease work in areas underpinning credit, coverage, compliance , fraud analytics and fraud decisioning		✓	✓	
4	**Harmonization** of EU privacy laws will provide a much-needed uniformity for multinationals who operate across the geography. Organizations will benefit significantly from having to adhere to one regulation rather than a multitude of nation-specific rules.		✓	✓	
5	**Comprehensive data strategy** will enable the organizations to leverage and maximize their data potential through timely customer interactions, reduced storage costs, less wasteful marketing campaigns, lower security risk, and lower likelihood of regulatory intervention.		✓	✓	✓
6	**Risk Based Approach** will facilitate data-reciprocity frameworks and ease work of CSO/CDO's in areas underpinning credit, coverage, compliance and fraud-decisioning		✓	✓	
7	**Increased onus on Information Life Cycle Management** will provide CIO's and CTO's with the required thrust to look to reduce the technology debt, sun set legacy applications and rationalize the plethora of applications thereby reducing OPEX and improve IT efficiency.		✓	✓	

Dependencies

There are other regulations as well, requirements of which overlap with GDPR. Some of these include -

- Payment Services Directive 2 (PSD2) requires 3rd party payment services providers (TPPs) to obtain consent to access customers' payment account details.
- Open Banking regulation requires banks in UK to open their data through Application Programming Interfaces (APIs). This would result in banks to change from one-stop shop for financial services to open platforms where customers can leverage a modular approach to banking and provide the 3rd parties direct access to data.

While implementing GDPR, institutions needs to also consider applicability of these other regulations and overlaps, to avoid duplication of effort.

Conclusion

Data privacy has been a cause of key concern specially in financial services industry in this digital world. A breach of data privacy could result in potential loss of organizations' reputation. GDPR regulation is a step towards ensuring data privacy and in turn addressing the concern about the potential loss to organization's reputation caused by data breaches. A GDPR violation can take away years of brand building and customer assurance. An effective implementation of GDPR is a must to strengthen corporate reputation.

Unit

Financial Services, Application Development and Maintenance, Infosys

About the Authors

Renu Lata Rajani

Vice President and Delivery Head, Financial Services, Infosys

Renu Rajani is Vice President and Delivery head in Financial Services at Infosys. She is a seasoned IT services/ consulting leader with 28 years of experience. As a delivery head, Renu leads the delivery for a large cluster of BFS clients spanning across APAC, Europe and the USA. Renu's experience spans across IT Services delivery, regulatory compliance, transformation, providing technical solutions, outsourcing governance, and consulting. Renu has helped global banking and financial services clients in outsourcing their engagements, delivering seamlessly, and transforming delivery in line with latest digital business, technology and regulatory needs.

Prior to joining Infosys, Renu served Capgemini, Citibank, IBM, in key leadership roles. She holds an MS degree from Krannert Graduate School of Management, Purdue University; and a B Tech degree in Computer Science from Lucknow University. She is also a certified Banker (CAIIB) and accredited as IBM Sr PM with DPE/Service Management Specialization.

Shashi Kiran Rao

Senior Project Manager, Financial Services, Infosys

Shashi Kiran Rao is Sr. Project Manager currently managing Security & Fraud solution platform for a leading UK bank. 19 years of IT experience driving implementation of key projects / programs and strategic initiatives. Extensive knowledge in Cyber Security, Risk & Compliance and P&C Insurance; track-record of overseeing multi-million dollar transformational programs.

He holds a MS degree in Consultancy Management from BiTS Pilani and engineering degree from Bangalore university.

For more information, contact askus@infosys.com

Infosys®
Navigate your next